

9 Mar 09 - Speech to DFID on International Development and Climate Change

Ed Miliband's speech to the Department for International Development (DFID) annual conference

Can I also say that there could be nobody better than Douglas to be the Secretary of State for International development, since he is someone who throughout the time I have known him has been passionate and committed on development issues.

This is a time of maximum challenge to those of us who care about climate change and indeed international development. The economic pressures on developed countries are greater than they have been for many years, and that creates pressure on both resources and focus.

But I want to say that for the British Government, and particularly for this Prime Minister, the focus on development and climate change is undimmed.

And this time of economic difficulty is also a time when we should look beyond the here and now. It is a time to lay out the ideas and institutions that can shape the years to come, and nowhere is this more necessary than on climate change.

And my argument today is this: our task is not just to get a global deal amongst governments, but, far harder, to win a global consensus amongst people – because the terms of the deal will reshape our whole economies.

The development community doesn't just bring expertise on the issues, you bring a network of influence and links to the people who are prepared to act to create a better world.

So between us, we must win four arguments:

- First, the scientific urgency of climate change grows stronger month by month and we know that it is developing countries who will suffer most. We need to get that message across but we also need to bring it home to people in their own areas and their own lifetimes.
- Second, we must win the argument on the division of responsibilities between developed and developing countries.
- Third, we must win consent for flows of finance that are both adequate and fair.
- And fourth, we need institutions to implement these changes which can command respect from developed and developing countries.

Let me say a little about each of these points.

Urgency

First, the science. Nick Stern can talk with far greater authority about this than I can, and we were in Washington together last week talking with legislators and the new administration about these issues.

The business-as-usual projections from the IPCC show that even if countries deliver on all the commitments they made at Kyoto, we could still see temperatures rise by more than 6 degrees.

If we don't get the global deal in time, and temperatures rise by just half that, three degrees, then according to the IPCC, the effects are chilling.

The risk of hunger will be faced by up to 600 million more people.

Water shortages could affect an extra one to two billion people.

And we know this wouldn't be like a one-off, hurricane – as they now say, a “weather event” – or even a “lost decade” from which you can still recover, it's an impact that will last, the scientists tell us, for a thousand years.

That is the scale of the challenge we face, which will be familiar to many in this room.

My assessment is that people understand the science, but they don't yet think climate change will strike here. Part of our task is to explain the consequences not just in developing but also developed countries.

Responsibilities

And this brings me to my second point: how to win the case not just for action but for rich countries to lead the way.

The South African Environment Minister said recently that an equal split of effort would be like being invited to join someone for coffee, then being asked to split the bill for the full three-course meal.

We know the way to get a global deal is for developed countries to do more: it is morally right, because of historic responsibilities for emissions, current levels of emissions and levels of development.

Britain, now joined by the new administration in the United States, has followed the science and set a clear objective of reductions in emissions of 80% by 2050. Within Europe, we argued for and won agreement for an emissions cut across the EU of 20 per cent by 2020, or 30 per cent if there is a global deal.

But we also know this: to make the case, when we are a small country with a small direct impact on global CO₂, we have to show our constituents that developed-country leadership will bring the rest of the world with it.

Because of the predicted growth in emissions in the coming decades, on business as usual, 70-80 per cent will come in developing countries. A global deal must be truly global, and therefore we need to find the way to make low-carbon growth possible in the poorest countries.

Not by constraining growth in poor countries: they have a right to lift their people out of poverty, and British people showed at demonstrations at Gleneagles that they believe in the urgency of doing so. The move from business as usual has to be a move not to lower growth but lower-carbon growth.

Finance

And as I said, it is right that additional finance should help pay for this – and that is the third argument we need to win.

Estimates of the financial needs for tackling climate change, adaptation and mitigation in developing countries range from \$80-130bn per year.

How do we raise that money fairly and spend it wisely?

Some people have said to me that allowing any companies to buy in carbon offsets is wrong, and even called it a “get-out-of-jail free” card.

For a start it’s definitely not free. But there’s also a bigger prize at stake: if we put a price on carbon, together with a fair way of allocating effort across the globe, then the prize is flows of finance generated through the global carbon market to countries with the both the starkest poverty and the best opportunities to move to lower-carbon growth.

I believe there’s no substitute for carbon reductions at home, but we have to build up a global carbon market. We must have both public and private finance.

We must, in particular, find agreement to finance the protection of rainforests, to reduce their current contribution of a fifth of total emissions, about as much as the whole of the United States.

This is necessary to pay, between us, for what the President of Guyana has called “the valuable climate services” that rainforest communities provide to the world.

The Eliasch Report published last year showed how a system of forestry credits could be used. This is as it should be in my view: the people of the forest will be doing a service to developed countries and indeed the world by managing forests sustainably.

And we must have not just direct finance, but technology transfer, from the lab to the demonstration projects to the homes and factories of developing countries.

All these are arguments that we need to win, getting a consensus amongst governments and the businesses and consumers who will be paying for offsets on the carbon markets.

Institutions

Fourthly, we need institutions for raising and spending money that will command respect around the world.

And here’s the question to help us win the debate: how do we learn the lessons of development and not make the same mistakes anew?

How do we give a fair voice for developing countries in decisions? How do we avoid micro, project-based assessment of every piece of spending, the avoidance of a plethora of funds if possible, and at the same time, an assurance about governance and integrity of expenditure?

We don't have all the answers but we can see the broad way forward: what you might call a "compact approach". It would be based around:

- An international compact – agreement to the balance of resources between adaptation and mitigation, and the financial needs of different nations.
- A national compact – national plans drawn up by each country, reflecting their own priorities, reviewed and reported on internationally to ensure every country is both ambitious and credible.
- And a delivery compact – money should flow directly into central budgets, but only with the assurance of robust governance and transparency.

We think the World Bank Climate Investment Funds, to which Britain has contributed £800m, which have an equal voice of developing and developed countries on their board, offers an important model for the future, but we know also that some developing countries believe that any new flows of finance should be under the UNFCCC.

This is an important debate which must continue, but the emphasis must be on avoiding delay, which has been a problem so far both for funds under the Clean Development Mechanism and the Adaptation Fund.

So these are some thoughts for our discussion today on how we win the debate about the science which demands urgency, the respective role of developed and developing countries, finance and institutions.

Let me end on this point: I think it is sometimes too easy to forget that these negotiations are not taking place in a vacuum but in a difficult, political context.

We need to make clear, for developed and developing countries alike, that our ambitions at Copenhagen are based on prosperity not austerity: that is why our low-carbon industrial strategy in the UK is important, as is a recognition of the need for developing countries to grow.

We need to ensure that while the responsibilities may be different, the actions of developing countries as well as developed countries are subject to proper monitoring, reporting and verification, because if we are to have flows of finance, our publics need to be assured of robust governance.

Finally and most importantly, we need to ensure that the negotiations and discussions around Copenhagen are not confined to the elites; that is why I have said it is so important that we have more of a global movement towards Copenhagen.

This is a daunting time for negotiations. We are talking about a revolution in each of our economies, and an overhaul of international architecture and flows of finance.

We are negotiating against the clock and against a backdrop of economic turmoil.

But when I visited the US last week, and when I have spoken to counterparts abroad, there is also a growing mood of determination to get the deal rather than let it slip.

However, whether we succeed is partly down to governments, but partly about whether the urgency of tackling climate change can be felt in every country and in every part of public policy.

Alone, governments can't do it and Britain can't do it.

We need to remember the lessons of history, including Gleneagles, and understand that change happens not simply because governments want it to happen, but because people make it happen.

So let's have domestic campaigns on the environment, let's have specific campaigns on development, but let's also have a united, international campaign to make a deal at Copenhagen a reality.

If we do that, if we work together, we can achieve the global deal we need and fulfil our responsibilities both to the world's poorest countries and to future generations.